



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 27, 2004

### **H.R. 3879** **Coast Guard Authorization Act for Fiscal Year 2005**

*As ordered reported by the House Committee on Transportation and Infrastructure  
on April 21, 2004*

#### **SUMMARY**

H.R. 3879 would authorize the appropriation of about \$6.9 billion for discretionary programs of the United States Coast Guard (USCG) for fiscal year 2005, including \$5.2 billion for operating expenses, \$1.5 billion for capital projects, \$117 million for the USCG reserves, \$17 million for environmental compliance, and \$19 million each for research projects and for bridge alterations. Of these amounts, \$48.5 million would be authorized to be derived from the Oil Spill Liability Trust Fund (OSLTF) and the remainder from the general fund of the Treasury.

The bill also would authorize the appropriation of nearly \$1.1 billion for USCG retirement benefits (an entitlement) for the year. This provision would not affect direct spending.

CBO estimates that appropriation of the authorized amounts would cost nearly \$4.6 billion in fiscal year 2005 and about \$6.8 billion over the 2005-2009 period. (About \$0.1 billion would be spent after 2009.) Enacting H.R. 3879 would not affect revenues or direct spending.

H.R. 3879 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary effects of H.R. 3879 are summarized in the following table. The costs of this legislation fall within budget functions 300 (natural resources and environment) and 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	2004	2005	2006	2007	2008	2009
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
USCG Spending Under Current Law						
Authorization Level <sup>a</sup>	5,883	29	0	0	0	0
Estimated Outlays	5,744	1,733	654	251	134	66
Proposed Changes						
Authorization Level	0	6,883	0	0	0	0
Estimated Outlays	0	4,569	1,244	550	276	122
USCG Spending Under H.R. 3879						
Authorization Level <sup>a</sup>	5,883	6,912	0	0	0	0
Estimated Outlays	5,744	6,302	1,898	801	410	188

- a. The 2004 level is the amount appropriated for that year for USCG activities, reduced by across-the-board cuts and by a \$71 million rescission of fiscal year 2003 emergency funds. The amount includes 2004 emergency supplementals and transfers from the Department of Defense. The existing authorization level of \$29 million in 2005 is the amount already authorized to be appropriated from the OSLTF for USCG operating expenses and research.

## BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 3879 will be enacted by the end of 2004 and that the authorized amounts will be appropriated for fiscal year 2005. The authorization level is the amount stated in the bill for USCG discretionary accounts, excluding \$28.5 million of the \$48.5 million to be derived from the OSLTF. (That amount, which consists of \$25 million for the agency's operations and \$3.5 million for research, is not a change in the agency's authorization level because such funding is already authorized.) The \$1.1 billion authorized by the bill for USCG retirement is also excluded because such pay is an entitlement under current law and does not require annual appropriation. Estimated outlays are based on historical spending patterns for USCG activities and programs.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 3879 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

### **ESTIMATE PREPARED BY:**

Federal Costs: Deborah Reis

Impact on State, Local, and Tribal Governments: Gregory Waring

Impact on the Private Sector: Jean Talarico

### **ESTIMATE APPROVED BY:**

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis